



**Before The  
State of Wisconsin  
DIVISION OF HEARINGS AND APPEALS**

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In the Matter of Claims Against the Dealer Bond  
of Twons Auto Sales, LLC

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Case No: DOT-21-0027

**FINAL DETERMINATION**

On November 30, 2021, Claimant Jaymes Owens (Claimant) filed a bond claim with the Wisconsin Department of Transportation, Dealer and Agent Section (Department) against the motor vehicle dealer bond of Twons Auto Sales, LLC (Dealer). Pursuant to Wis. Admin. Code § Trans 140.26, a Public Notice to File Dealer Bond Claims had previously been published in the Daily Reporter, a newspaper published in Milwaukee, Wisconsin, on October 15, 2021, with regard to another pending bond claim against the same Dealer, Case No. DOT-21-0022. The notice informed other persons who may have claims against the Dealer to file them with the Department by December 14, 2021. The Claimant in the present matter timely filed this claim. On January 18, 2022 a Preliminary Determination was issued under Wis. Admin. Code § Trans 140.26(4)(a). No objections to the Preliminary Determination were received. Pursuant to Wis. Admin. Code § Trans 140.26(5)(d), the Preliminary Determination is adopted as the final decision of the Department of Transportation.

In accordance with Wis. Stat. § 227.47 and 227.53(1)(c) the PARTIES to this proceeding are certified as follows:

Twons Auto Sales, LLC  
7928 W. Clinton Avenue  
Milwaukee, WI 53223

Western Surety Company  
101 Reid Street, #300  
Sioux Falls, SD 57103

Tanisha M. Rhodes  
3222 N. 1<sup>st</sup> Street  
Milwaukee, WI 53212

Jaymes Owens  
642 Jasmine Parke Dr Apt #1  
Bakersfield CA 93312

## FINDINGS OF FACT

1. Twons Auto Sales, LLC (Dealer) is licensed by the Wisconsin Department of Transportation as a motor vehicle dealer. The Dealer's facilities are located at 7928 W. Clinton Avenue, Milwaukee, Wisconsin.

2. The Dealer has two continuous surety bonds in force in the amount of \$50,000 each satisfying the requirements of Wis. Stat. § 218.0114(5). The first continuous bond began on January 21, 2020 (Bond # 64944195) issued by Western Surety Company. The second continuous bond lists a beginning date of February 17, 2021 (Bond #65398472) and was also issued by Western Surety Company.

3. On August 27, 2021 the Dealer sold to the Claimant a 1972 Oldsmobile Cutlass Supreme, VIN 3J57K2R161399 (vehicle). The purchase price for the vehicle was listed as \$6,655.

4. The Dealer did not submit to the Department any registration or application to title the vehicle in the Claimant's name.

5. The Dealer failed to submit documentation of the sale to the Department when requested.

6. The Department was unable to issue clear title of the vehicle to the Claimant due to insufficient documentation.

7. On November 30, 2021 the Claimant submitted a bond claim with the Department alleging damages in the amount of \$6,655.

8. The Claimant's claim arose on August 27, 2021, which is the date when the vehicle was purchased and when the Dealer failed to properly submit the application for title to the vehicle that is the subject of the claim against the surety bond of the Dealer. The bond claim was filed within three years of the ending date of the one-year period the bond issued by Western Surety Company was in effect and is, therefore, a timely claim.

## DISCUSSION

The procedure for determining claims against dealer bonds is set forth at Wis. Admin. Code Chapter Trans 140, Subchapter II. Wis. Admin Code § Trans 140.21(1) provides in relevant part:

A claim is an allowable claim if it satisfies each of the following requirements and is not excluded by sub. (2) or (3):

(a) The claim shall be for monetary damages in the amount of an actual loss suffered by the claimant.

(b) The claim arose during the period covered by the security.

(c) The claimant's loss shall be caused by an act of the licensee, or the [licensee's] agents or employees, which is grounds for suspension or revocation of any of the following:

1. A salesperson license or a motor vehicle dealer license, in the case of a secured salesperson or motor vehicle dealer, pursuant to s. 218.0116(1)(a) to (gm), (im)2., (j), (jm), (k), (m) or (n) to (p), Stats.

...

(d) The claim must be made within 3 years of the last day of the period covered by the security. The department shall not approve or accept any surety bond or letter of credit which provides for a lesser period of protection.

Under Wis. Stat. § 342.16(1)(a), Transfer to or From Dealer:

...Within 7 business days following the sale or transfer, the dealer shall process the application for certificate of title, and within the next business day after processing the application, the dealer shall mail or deliver the original application for certificate and all associated materials required by the department to the department.

To allow claim against the Dealer's surety bond a finding must be made that the Dealer violated one of the sections of Wis. Stat. § 218.0116(1), identified in Wis. Admin. Code § Trans 140.21(1)(c)1, and that the violation caused the loss claimed. The Dealer in this matter failed to properly submit the title application to the Department as necessary to process the title and registration for the vehicle sold to the Claimant contrary to Wis. Stat. § 342.16(1)(a). A violation of this section, in turn, constitutes a violation of Wis. Stat. § 218.0116(1)(gm). Wis. Stat. § 218.0116(1)(gm) is a section identified in Wis. Admin. Code § Trans 140.21(1)(c)1.

As a result of the Dealer's action, or inaction, the Department was unable to issue a clear title to the vehicle to the Claimant. The Claimant's Bond Claim form submitted in this matter listed the total amount of the claim as \$6,655.00, which is the amount that was paid to the Dealer for the vehicle. A prior bond claim was also filed against the Dealer's bond in the amount of \$1,929, Case No. DOT-21-0022. As the total amount of all claims filed against the Dealer's bond(s) is less than the value of the \$50,000 bond, the Claimant's bond claim in the present matter is allowable. Wis. Admin. Code § Trans 140.23(1)(b).

## CONCLUSIONS OF LAW

1. The Claimant's claim arose August 27, 2021, which is when the Dealer failed to submit the title application and registration fees associated with the vehicle sale. The continuous

surety bonds issued to the Dealer by Western Surety Company cover the period commencing on February 17, 2021. The claim arose during the period covered by the surety bond.

2. The Claimant filed a claim against the motor vehicle dealer bond of the Dealer on November 30, 2021, which is within three years of the last day of the period covered by the surety bond. Pursuant to Wis. Admin. Code § Trans 140.21(1)(d), the claim is timely.

3. The Claimant's loss was caused by an act of the Dealer that would be grounds for suspension or revocation of its motor vehicle dealer license pursuant to Wis. Stat. §§218.0116(1)(gm) and 342.16(1)(a). The Claimant has supplied documentation to support a claim of actual loss in the amount of \$6,655.

4. The Division of Hearings and Appeals has authority to issue the following order.

#### ORDER

The claim filed by the Department against the motor vehicle dealer bond of Twons Auto Sales, LLC is APPROVED in the amount of \$6,655.00. Western Surety Company shall pay the Claimant this amount for his loss attributable to the actions of Twons Auto Sales, LLC. The Claimant shall surrender the vehicle to the Dealer.

Dated at Madison, Wisconsin on February 23, 2022.

STATE OF WISCONSIN  
DIVISION OF HEARINGS AND APPEALS  
4822 Madison Yards Way  
Madison, Wisconsin 53705  
Telephone: (608) 266-7709  
FAX: (608) 264-9885

By: \_\_\_\_\_  
Kristin P. Fredrick  
Administrative Law Judge

## NOTICE

Set out below is a list of alternative methods available to persons who may wish to obtain review of the attached decision of the Administrative Law Judge. This notice is provided to ensure compliance with Wis. Stat. § 227.48 and sets out the rights of any party to this proceeding to petition for rehearing and administrative or judicial review of an adverse decision.

1. Any person aggrieved by the attached order may within twenty (20) days after service of such order or decision file with the Department of Transportation a written petition for rehearing pursuant to Wis. Stat. § 227.49. A copy of any such petition for rehearing should also be provided to the Administrative Law Judge who issued the order. Rehearing may only be granted for those reasons set out in Wis. Stat. § 227.49(3). A petition under this section is not a prerequisite for judicial review under Wis. Stat. §§ 227.52 and 227.53.
2. Any person aggrieved by the attached decision which adversely affects the substantial interests of such person by action or inaction, affirmative or negative in form is entitled to judicial review by filing a petition therefore in accordance with the provisions of Wis. Stat. §§ 227.52 and 227.53. Said petition must be served and filed within thirty (30) days after service of the agency decision sought to be reviewed. If a rehearing is requested as noted in paragraph (1) above, any party seeking judicial review shall serve and file a petition for review within thirty (30) days after service of the order disposing of the rehearing application or within thirty (30) days after final disposition by operation of law. Pursuant to Wis. Admin. Code § TRANS 140.26(7), the attached final decision of the Administrative Law Judge is a final decision of the Department of Transportation, so any petition for judicial review shall name the Department of Transportation as the respondent. The Department of Transportation shall be served with a copy of the petition either personally or by certified mail. The address for service is:

Office of General Counsel  
Wisconsin Department of Transportation  
4822 Madison Yards Way, 9<sup>th</sup> Floor South  
Madison, Wisconsin 53705

Persons desiring to file for judicial review are advised to closely examine all provisions of Wis. Stat. § 227.52 and 227.53 to ensure strict compliance with all its requirements.